REMARKS

Claims 1-13 and 15-17 are pending in this application, claim 14 having been cancelled by the above amendment. Claims 4, 5, 13 and 15-17 are amended to delete multiple dependency. No new matter has been added.

Attached is a marked-up version of the changes being made by the current amendment.

Please apply any charges or credits to Deposit Account No. 06-1050, referencing attorney docket No. 06275-235001.

Respectfully submitted,

Date: Aug. 17, 2001

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Version with markings to show changes made

In the claims:

Claim 14 has been cancelled.

Claims 4, 5, 13, and 15-17 have been amended as follows:

4. (Amended) A compound as claimed in claim 2 [or 3], wherein R^7 is benzyl (optionally substituted with halo (such as chloro)), α-(C_{1-4} alkyl)-benzyl (optionally substituted with halo (such as chloro)), α,α-di(C_{1-4} alkyl)-benzyl (optionally substituted with halo (such as chloro)), optionally substituted phenoxymethyl, phenylsulphonylmethyl, benzyloxy, naphthyl or optionally substituted phenyl where said optional substituents are chosen from one or more halo.

5. (Amended) A compounds as claimed in claim 2, [3 or 4] wherein (AA^3) is Leu(S), Phe(S) optionally substituted with [C_{1-6}alkyl] C_{1-6} alkyl or halo and wherein the phenyl group of Phe(S) may be fused to another phenyl group to form a naphthyl group or the sulphur moiety in the α-position of the amino acid (AA) may be optionally oxidised to form an -$S(O)_2$- or Phe(CH_2S).

13. (Amended) A pharmaceutical composition comprising a compound of formula (I) or Ia), or a pharmaceutically acceptable salt thereof, as claimed in claim 1, [2, 8 or 9] and a pharmaceutically acceptable diluent or carrier.

15. (Amended) The use of a compound of formula (I) or (Ia) as claimed in claim 1, [2, 8 or 9,] or a pharmaceutically acceptable salt thereof, in the manufacture of a medicament for use in the inhibition of a cysteine protease in a warm blooded animal.

16. (Amended) The use of a compound of formula (I) or (Ia) as claimed in claim 1, [2, 8 or 9,] or a pharmaceutically acceptable salt thereof, in the manufacture of a medicament for use in the treatment of chronic obstructive pulmonary disease in a warm blooded animal.

17. (Amended) A method of treating a Cathepsin L or Cathepsin S mediated disease state in mammals which comprises administering to a mammal in need of such treatment an effective amount of a compound of formula (I) or (Ia) as claimed in claim 1, [2, 8 or 9,] or a pharmaceutically acceptable salt thereof.